



SUSAN GOLDING

MAYOR

August 26, 1998

Mr. Dean Spanos
President
San Diego Chargers
PO Box 609609
San Diego, CA 92160

Dear Mr. Spanos.

Congratulations on a very encouraging start to the 1998 Charger season. It is my hope that this positive mood can be sustained throughout this season and into the future. To that end, I would like to discuss with you a proposal which I believe will be in the best interest of the City and the Club in reaching that goal.

Charger fans seem genuinely excited about the team and football in general, and in particular with your signing of Ryan Leaf. The furor that surrounded last season has not engulfed San Diego this year, due in large part to your generous purchase of tickets under the Touchdowns for Youth program. I want to extend my deepest appreciation for your actions in this regard, and propose a means to keep the media focus on your good will and the positive elements of Charger football.

As you recall, the City Council voted to purchase unsold general admission Charger tickets at the end of the first quarter of each game last season, and to furnish these tickets to members of the military based on a voucher program.

As you and I discussed at the time, the City had no option but to purchase these tickets in order to recoup 10% of the cost. While this action served to save taxpayer dollars, the program itself had several external effects. Most notably, the media attention which focused each week on the lines of service personnel at the stadium and on the running number of tickets purchased by the City served to perpetuate unfair and inaccurate coverage of our agreement throughout the season. This was bad news for the City and the Chargers.

Last year's Council action was limited only to the 1997 season, which means the City is essentially in the same position it was last year.' In order to save the 10% this year, the matter is subject to another public hearing, and another opportunity to resurrect media sensationalism and provide a platform for detractors. It would, in effect, put the City and the Chargers in the position of having to bear the same problems on this issue throughout the season once again, unless some alternative can be worked out.

I believe one positive step could be taken immediately. The proposal is a simple one, and one that I believe can be addressed in a simple fashion. **It is** my understanding that once a ticket is purchased by any party, including the City-a ticket revenue split is triggered in which the City receives a 10% share, the visiting team receives a 34% share, and the Chargers receive a 56% share (net of ticket surcharge). No split is triggered absent the purchase of tickets.

I propose that the City and the Chargers enter into a Letter Agreement whereby we agree to acknowledge this revenue split, providing positive elements for the both the City and the Chargers, without having to go through a City ticket purchase. The Agreement would attribute 44% of the value of the unsold tickets to the City, and 56% to the Chargers.

The value to the City and the taxpayers is a considerable savings in tax dollars. For the Chargers, this step would make this and successive seasons unencumbered by the weekly coverage of the "ticket giveaway", highlight a tremendous positive gesture on the part of the Club, and to the extent it has some value, the Chargers would have possession of any unused tickets for whatever purpose you deem appropriate.

I have attached a draft of the Letter Agreement for your review, and ask that you give this proposal your every consideration. I would like an opportunity to discuss the details of this matter with you personally. Dean, I have consistently stated, and will continue to maintain, that the City's agreement with the Chargers is a good and fair deal. I believe this proposal will make the agreement that much stronger for all parties.

Thank you for your continued partnership.

Sincerely,

SUSAN GOLDING
Mayor
City of San Diego

SG/jw

attachment